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Source for these transcripts: The Dulles Report, 1949.

The numbers in the upper left-hand corner of the sheets are identical to the page numbers in the original Dulles Report.

~~TOP SECRET~~

~~TOP SECRET~~

31

The "operating" services of common concern which have been assigned to the Central Intelligence Agency are carried out by three Offices. The Office of Special Operations is responsible for foreign espionage and counter-espionage (See Chapter VIII). The Office of Operations is charged with the exploitation of domestic contacts for foreign intelligence, the monitoring of foreign broadcasts and the exploitation of intelligence information found in foreign documents, press and other publications (See Chapter VII). The Office of Policy Coordination is charged with conducting secret operations abroad under a special mandate from the National Security Council which stipulated that the Assistant Director, Office of Policy Coordination, must be nominated by the Secretary of State, and that his appointment by the Director is subject to approval by the National Security Council. This is the only case, as mentioned above, in which the National Security Council has prescribed internal arrangements within the Central Intelligence Agency or limited the appointive authority of the Director. (See Chapter IX).

~~TOP SECRET~~

~~TOP SECRET~~

34

SECURITY

Although there is no evidence of any laxness in the administrative arrangements for security, there are a number of circumstances and policies which detract from the general security of the Central Intelligence Agency. It is very difficult to create adequate security, other than mere physical security, around an organization which was publicly created by statute, employs about three thousand individuals, and encompasses a wide variety of activities. The fact that some of these activities are carried on is a matter of public record; the existence of others and particularly operating details are highly secret. Yet, by combining in a single organization a wide variety of activities, the security of the covert activities risks being compromised by the lower standards of security of the overt activities.

In the Washington area, the Agency occupies about twenty buildings, all of which can be readily identified as buildings of the Central Intelligence Agency. In various cities throughout the United States, the regional offices of the Office of Operations conduct their business under the name "Central Intelligence Agency". Over two thousand individuals publicly identify themselves with the Central Intelligence Agency which has unfortunately become publicized as a secret intelligence organization.

This security problem is an aftermath of the wartime period, with its public dramatization of espionage and other secret operations and a rapid turnover of personnel. Intelligence has become a subject of general discussion to which the publicizing of inter-agency rivalries has contributed. For example, after the [REDACTED] there was a public airing before a Congressional Committee of the handling of secret intelligence concerning

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~~TOP SECRET~~

~~TOP~~ SECRET

35

25X1A

developments in [REDACTED] Damaging disclosures were made regarding certain operating details of secret intelligence activities conducted by the Central Intelligence Agency. During the past year, there have been newspaper and magazine articles concerning the Central Intelligence Agency and its secret activities abroad.

Lest further incidents of this character occur, every effort should be made to prevent the public disclosure of secret information relating to the operations of the Central Intelligence Agency. Under the National Security Act (Section 102 (d) (3)), the Director of Central Intelligence is made responsible for protecting intelligence sources and methods from unauthorized disclosure. This mandate appears to give the Director authority to resist pressure for disclosure of secret information.

If, however, in his relations with Congress or with other Government departments, the disclosure of secret information is sought from the Director, and if he has any doubt as to whether he should comply, it should be established practice for him to refer the question to the National Security Council in order that it may determine whether or not disclosure is in the public interest.

We believe that other steps can also be taken toward an improvement of security. There should be greater flexibility in the Central Intelligence Agency's organization by distinguishing between those functions which are written into the statute and hence are public and those whose existence, and certainly whose operations, should remain secret. The two should be administratively and functionally separated, and appropriate concealment should be given to the secret activities as discussed below. (See page 116).

~~TOP~~ SECRET

~~TOP SECRET~~

At the same time, a serious endeavor should be made to reverse the present unfortunate trend wherein the Central Intelligence Agency finds itself advertised almost exclusively as a secret service organization. It should be presented instead to the public as the centralized coordinator of intelligence. This would help to cover rather than uncover its secret operations. Even with these specific steps, in the long run only organizational discipline and personal discretion will insure security.

~~TOP SECRET~~

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~~TOP SECRET~~

103

FOREIGN DOCUMENTS BRANCH

The third Branch of the Office of Operations is the Foreign Documents Branch which has the responsibility for exploiting foreign language documents and foreign periodicals and press for intelligence purposes. Unlike the [REDACTED] and the Contact Branch, which operate by virtue of charters accorded the Central Intelligence Agency by National Security Council Intelligence Directive Nos. 6 and 7, respectively, the Foreign Documents Branch has no such charter and is, therefore, not recognized officially as a unique common service. The other departments and agencies do some of their own translations of foreign language documents, etc., but also rely on the Foreign Documents Branch.

STATSPEC

STATSPEC

The Foreign Documents Branch is engaged in completing its exploitation of large quantities of materials captured during the recent war. In addition, it monitors current press and periodical publications and besides these routine translations it occasionally translates specific documents upon request. It also maintains for the various consumer agencies a continuing program of abstracting from periodical publications specific materials in such fields as electronics, transportation, etc.

There is a constant and large flow of production from the Foreign Documents Branch in the form of extracts from the foreign press; current periodical abstracts, both general and technical, dealing with items of intelligence value contained in Soviet and other foreign periodicals; an industrial card file record for inclusion in the Foreign Industrial Register of the Office of Collection and Dissemination; biographical intelligence reports; a bibliography of

~~TOP SECRET~~

~~TOP SECRET~~

104

Russian periodicals, special accession lists and various translations of current material to meet continuing requirements.

Inasmuch as it is virtually impossible to have a large pool of expert translators who are at the same time specialists in various fields, it is most important that the work of an agency such as the Foreign Documents Branch be performed in close relationship to and under the constant guidance of the consumer agencies. It would, therefore, seem that instead of being associated in the Office of Operations with the Contact Branch and the [REDACTED]

STATSPEC

[REDACTED] with which it has little in common, it would be preferable for the Foreign Documents Branch to be a part of the proposed Research and Reports Division suggested in Chapter VI.

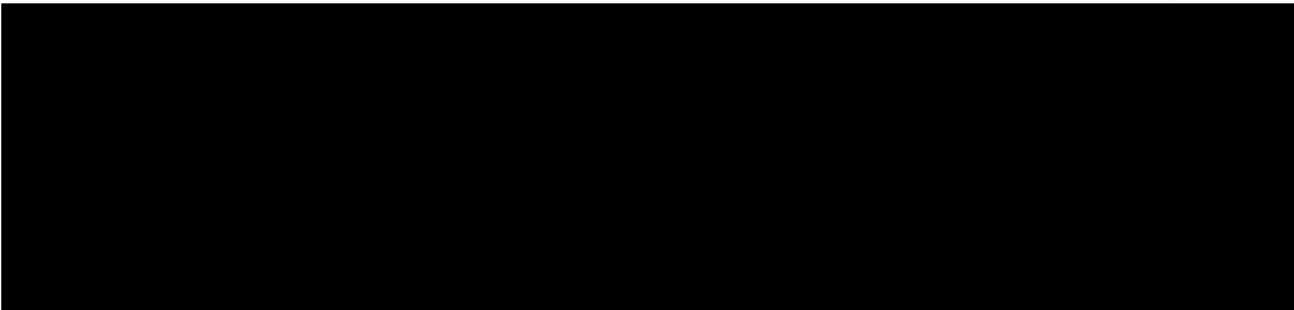
STATSPEC

CONCLUSIONS AND RECOMMENDATIONS

(1) The Office of Operations consists of three distinctive activities, which represent useful and recognized functions in their own field but have no particular relation to each other.

(2) The Contact Branch should be integrated with the Office of Special Operations and Office of Policy Coordination under single over-all direction (Operations Division) within the Central Intelligence Agency.

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~~TOP SECRET~~

~~TOP~~ SECRET

105

(4) The Foreign Documents Branch should be made part of the proposed Research and Reports Division if one is created.

(5) If the [REDACTED] STATSPEC remains a part of the Central Intelligence Agency, it should probably be administered by the new Operations Division, but its product should be currently available for analysis in the new Research and Reports Division.

~~TOP~~ SECRET

~~TOP~~ SECRET

163

CHAPTER XIII

CONCLUSION

At the outset of this report we gave a brief summary of our survey and findings, and at the various chapter endings we have added those conclusions and recommendations which were applicable to the subject matter of the chapter.

We have been critical of the direction and administration of the Central Intelligence Agency where we felt that there had been failures to carry out its basic charter. We have also pointed out what we have judged to be inadequacies in administration and lack of over-all policy guidance within the organization. At no time, however, have we overlooked the great difficulties facing a relatively new and untried organization which has been viewed with some suspicion and distrust even by those whom it should serve. We believe that some measure of this suspicion and distrust is being dissipated and that what is needed today is for the Central Intelligence Agency to prove that it can and will carry out its assigned duties. We have proposed specific steps which can be taken toward this objective.

The progress of the Central Intelligence Agency should be continuously tested by the National Security Council against the accomplishment of the purposes of Sec. 102 of the National Security Act. That is to say, the Central Intelligence Agency should be prepared to show what is being accomplished:

- (1) To coordinate the intelligence activities of the Government;
- (2) To provide, in close collaboration with other governmental intelligence agencies, for the central correlation of intelligence relating to the national security; and

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(3) To perform the intelligence and related services of common concern assigned to it by the National Security Council.

In these fields the Central Intelligence Agency has the duty to act. It has been given, both by law and by National Security Council directive, wide authority, and it has the open invitation to seek from the National Security Council any additional authority which may be essential. It must not wait to have authority thrust upon it. Its basic mandate is clear. We recognize that it will require initiative and vision to carry it out. If this is done, we will have made a satisfactory start toward achieving one of our most essential defense requirements, an adequate intelligence service.

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